



Waits v. Frito-Lay, Inc. and Tracy-Locke, Inc. 978 F.2d 1093 (9th Cir. 1992)

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1. *The Value Group, Inc. v. Mendham Lake Estates*, 800 F. Supp. 1228, 1231 (D.N.J., 1992) (citing 17 U.S.C. § 102(a)(5) and (b) (West Supp. 1992)). The 1990 act added the category "architectural work", and for the first time gave such works full copyright protection under the law.

2. 17 U.S.C.A. § 101 (West Supp. 1992).

3. *The Value Group, Inc. v. Mendham Lake Estates*, 800 F. Supp. at 1231.

4. *Id.* (citing 17 U.S.C. §§ 106, 107-120).

5. *Id.* at 1231-32 (citing 17 U.S.C. §§ 501, 502).

6. The court also identified as one factor for consideration the possibility of harm to the infringer by granting the injunction but later refused to consider a balancing of hardships as determinative. *Id.* at 1231 (citing *Opticians Ass'n of America v. Independent Opticians of America*, 820 F.2d 187, 191-92 (3d Cir. 1990)).

7. *Id.* at 1232 (citing *In re Arthur Treacher's Franchise Litigation*, 689 F.2d 1137, 1147 (3d Cir. 1982)).

8. *Id.* (citing *Midway Mfg. Co. v. Bandai-America, Inc.*, 546 F. Supp. 125, 128 (D.N.J. 1982)).

9. *Id.* (citing *Midway Mfg. Co. v. Bandai-America, Inc.*, 546 F. Supp. at 139).

10. *Id.*

11. *Id.* at 1232 (citing *Feist Publications v. Rural Tel. Serv. Co.*, —U.S.—, 111 S.Ct. 1282, 1287 (1991)).

12. *Id.*

13. *Id.*

14. *Id.* (citing *Franklin Mint Corp. v. National Wildlife Art Exch., Inc.*, 575 F.2d 62, 64 (3d Cir. 1973)).

15. *See Id.* at 1233.

16. 17 U.S.C. § 101 (1988).

17. *The Value Group, Inc. v. Mendham Lake Estates*, 800 F. Supp. at 1233; *See also Id.* at n.7 (noting Mendham Lake's own sales brochure encouraged buyers to obtain competitors designs in order to copy them).

18. *Id.* at 1233 (citing *Robert R. Associates, Inc. v. Nino Homes*, 686 F. Supp. 160, 162 (E.D. Mich. 1987)).

19. *Id.* (citing *Midway Mfg. v. Vandai-America, Inc.*, 546 F. Supp. at 138).

20. *See Id.* at 1234.

21. *See Id.*

22. *See Id.*

23. *See Id.*

24. 17 U.S.C. § 101 (1988).

25. *The Value Group, Inc. v. Mendham Lake Estates*, 800 R. Supp. at 1235.

Waits v. Frito-Lay, Inc. and Tracy-Locke, Inc.

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INTRODUCTION

Following a radio commercial broadcast imitating his voice, Tom Waits, a professional singer and songwriter, sued Frito-Lay, Inc. and Tracy-Locke, Inc. for voice misappropriation under California tort law and false endorsement under the Lanham Act. The United States District Court for the Central District of California returned a jury verdict for Waits in the amount of \$2.6 million. The United States Court of Appeals for the Ninth Circuit found Waits' voice misappropriation and Lanham Act claims to be legally sufficient. However, in considering Waits' damage award, the court found that the damages awarded under the Lanham Act claim were duplicative of those

awarded under Waits' claim for voice misappropriation.

FACTS

Tom Waits is a well-known professional singer and songwriter with a very distinctive raspy singing voice. Although Waits has achieved both commercial and critical success in his musical career, he has publicly expressed his philosophy that musical artists should not perform commercials since it detracts from their artistic integrity. Waits has openly maintained this policy for the last ten years and has rejected offers to endorse major products.

Frito-Lay, Inc., a snack food manufacturer, and its advertising agency, Tracy-Locke, Inc., began an advertising campaign to introduce Frito-Lay's new product, SalsaRio Doritos. Inspired by Waits' 1976 song "Step Right Up", the ad agency created a radio commercial which "echoed the rhyming word play" of Waits' song. During Tracy-Locke's presentation of the SalsaRio campaign to Frito-Lay, a preliminary rendition of the commercial was sung followed by a recording of Waits' version of the song in order to emphasize that the commercial would generate the same overall feeling as the Waits' song.

In auditioning singers for the commercial, Tracy-Locke intentionally sought a singer who could imitate Waits' voice and style. The position was filled by Stephen Carter, a professional musician and a Tom Waits fan who consciously perfected his voice over a ten year period to be an imitation of Waits' voice.

In September and October of 1988, the commercial was broadcast over 250 radio stations throughout the country. Upon hearing the commercial, Waits realized that listeners would assume the voice was his and believe Waits had agreed to do a commercial for Doritos.

In finding in favor of Waits, a jury awarded the singer \$374,000 compensatory damages, \$2 million punitive damages for voice misappropriation and \$100,000 damages for violation of the Lanham Act. The court also awarded Waits attorneys' fees under the Lanham Act.

LEGAL ANALYSIS

Waits filed suit against the defendants claiming voice misappropriation under California tort law and false endorsement under section 43(a) of the federal Lanham Act. In determining Waits' state tort claim, the Ninth Circuit considered: (1) whether the California tort for voice misappropriation was still good law; (2) the proper elements contained in a tort of voice misappropriation; and (3) whether or not certain types of compensatory and punitive damages are applicable to the tort of voice misappropriation. In considering Waits' false endorsement claim under the Lanham Act, the appellate court reviewed Waits standing and the issue of damages. In arguing that Waits did not have

a tort claim for voice misappropriation, first the defendants contended that *Midler v. Ford Motor Company*,¹ which articulates California's law on voice misappropriation, was implicitly overruled by the Supreme Court in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*² Next, the defendants argued that the federal Copyright Act preempts the California tort of voice misappropriation.

In *Midler*, the Ninth Circuit held that when a distinctive voice of a widely known professional singer is deliberately copied to sell commercial products, a tort is committed. This so-called *Midler* tort is defined by the Ninth Circuit as a specific violation of the right of publicity. Specifically, the violation is to the right of the celebrity to control the commercial use of his or her identity.³ If a voice is a sufficient indicator of a celebrity's identity, the right of publicity will protect him or her against an unauthorized imitation of his or her voice for commercial purposes.⁴

The defendants contended that *Bonito Boats* impliedly overruled *Midler* because the Supreme Court in *Bonito Boats* held that state law is preempted by federal patent law which expressly does not protect "publicly known design and utilitarian ideas."⁵ In analyzing the defendants' argument, the court rejected their reliance on earlier case law denying an entertainers' challenges to imitations of their performances based on federal copyright exemption.⁶ The court found that *Bonito Boats* cautioned against reading these earlier cases to broadly for a preemption principle, and itself cited subsequent Supreme Court decisions narrowing the broad interpretation of the preemption principle.⁷ In rejecting the defendants' argument, the appellate court found that *Bonito Boats* reaffirmed the right of states to place limited regulation on the use of unpatented designs to prevent consumer confusion.⁸ Moreover, the Supreme Court in *Zacchini v. Scripps-Howard Broadcasting Co.* recognized the authority of states to protect an entertainer's right of publicity.⁹ Thus, the appellate court found that *Bonito Boats* did not impliedly overrule *Midler*; rather *Bonito Boats* stands for a more limited preemptive principle.

Next the defendants argued that *Midler* should have been preempted by Section 114 of the Copyright Act since the subject matter of *Midler*, voice, is one that is covered by federal copyright law. Under the federal Copyright Act, a state cause of action escapes preemption, "if its subject matter 'does not come within the subject matter of copyright... including works or authorship not fixed in any tangible medium of expression.'"¹⁰ The appellate court again rejected the defendants' argument and found *Midler* to be good law. The court held that voice misappropriation is not preempted by the Copyright Act because voice, which does not contain "fixed" sounds, is not copyrightable.¹¹

Waits' voice misappropriation claim was not pre-

empted by federal copyright law, but was rather one for the invasion of a personal property right — his right of publicity to control the use of his voice.¹² The appellate court affirmed that the proper elements of voice misappropriation, as enunciated in *Midler*, are: (1) the defendants had deliberately imitated the plaintiff's voice, rather than merely his style; (2) the plaintiff's voice was sufficiently distinctive; and (3) the plaintiff's voice was sufficiently widely known.¹³

The defendants next contended that the district court erred in rejecting their proposed jury instructions regarding the three elements of the *Midler* tort. The defendants argued they did not deliberately imitate Waits' voice. Accordingly, defendants had proposed to instruct the jury in the difference between voice, which is protected under *Midler*, and style, which is not subject to ownership, and thus not protected.¹⁴ The appellate court declared that, as a whole, the instructions were not misleading, since the instruction had indicated that tort liability can be established only by imitation of voice, not imitation of style. The instruction went on to state that the imitation must be so good that a person familiar with Waits' singing voice would believe it was Waits himself singing in the defendants' commercial.

The defendants argued the instructions confused the "distinctiveness" of a voice with its ability to be identified or recognized. The instruction defined the "distinctiveness" of a voice by its characteristics that identify it with a particular singer. A central element of a right of publicity is considering the identifiability of the person through the distinctiveness of the voice.¹⁵ The appellate court thus affirmed the instruction's appropriateness of definition.

The defendants also object to the instruction regarding the "widely known" element, claiming the instruction to be too vague to aid the jury in making a factual determination.¹⁶ The defendants argued Waits is not "well known" under the *Midler* element since he has not achieved the same level of stardom as that of Bette Midler. The appellate court rejected this interpretation as underinclusive since it would exclude popular singers who have not reached superstardom but who still deserve legal protection. In declaring that the term "well known" is relative to the amount of damages recoverable, the appellate court affirmed that the "great weight" of the evidence from trial demonstrates Waits is "very widely known".

The defendants next disputed Waits' compensatory damages award, arguing that a plaintiff in a right of publicity action can only receive damages to compensate for economic injury. The appellate court, noting that *Midler* did not limit damage recovery, recognized that voice appropriation may cause a celebrity humiliation, embarrassment and emotional distress.¹⁷ Defendants objected to this reputational damage award, arguing that such an award is available only in defamation claims which Waits did not allege here.

Even if such damages were available, the defendants contended that Waits had not proved injury to his career. The court concluded, however, that the damages were proper given evidence of Waits' public position against commercial endorsements, and that Waits was humiliated by the SalsaRio ad since it made him appear to be a hypocrite.

Applying the tort principle under California law that damages are available to compensate for all injuries caused by a defendant's tortious conduct,¹⁸ the appellate court found reputational damages were proper and had been awarded in previous right of publicity cases. Therefore, Waits received compensatory damages for injury to goodwill and future publicity value, and to compensate him for injury to his reputation caused by the misappropriation of his identity.

Regarding the punitive damages award, the defendants asked that this award be vacated, claiming punitive damages are unavailable as a matter of law, and in the alternative, that the evidence does not support the award.¹⁹ The defendants argued that since the *Midler* decision was so recent and imprecise in scope, they could not have been aware of the rights they were infringing upon and thus they were not in "conscious disregard" of Waits' property rights. However, the appellate court affirmed the award of punitive damages since there was a "high probability" that Frito-Lay and Tracy-Locke consciously disregarded Waits' rights when they decided to broadcast the imitation of Waits' voice, rather than utilizing another version of the commercial which they had prepared in fear of litigation. Thus, the punitive damage award was affirmed.

Defendants' next series of arguments on appeal were concerning Waits' Lanham Act claim. First, the appellate court dealt with the issue of whether false endorsement claims were cognizable under the Act.²⁰ Upon analyzing the legislative history,²¹ the court clarified that Congress intended the terms "symbol or device" to include distinctive sounds²², and concluded that false endorsement claims, including those unauthorized imitation of a celebrity's distinctive voice, are cognizable under 43(a) of the Act.

Defendants next contended that Waits lacked standing to bring a claim under the Lanham Act because he is not in competition with the defendants. The court recognized that Ninth Circuit precedent on this issue was in conflict and attempted to reconcile the two leading cases on each side. In *Smith v. Montoro*, the Ninth Circuit ruled that a plaintiff need not be a competitor in order to have standing.²³ However, in *Halicki v. United Artists Communications, Inc.*, the Ninth Circuit asserted that to have standing, a plaintiff must be a competitor in order to establish economic injury.²⁴ The court distinguished the two cases since each involved different prongs of liability under Section 43(a) of the Lanham Act. *Smith*

was premised on a claim of false designation of origin; whereas, the plaintiff in *Halicki* asserted a false advertising cause of action.

Under *Smith*, the Lanham Act allows a claim for noncompetitors who were commercially injured by the "deceptive and misleading use of marks".²⁵ Applying *Smith* to the case at bar, the court held that "a celebrity whose endorsement of a product is implied through the imitation of a distinctive attribute of the celebrity's identity, has standing to sue for false endorsement under Section 43(a) of the Lanham Act".²⁶ The court concluded Waits, although not a competitor in the traditional sense, has standing since it was likely that he would be commercially injured by the wrongful use of his professional trademark — his unique voice.

Defendants also alleged that Waits' false endorsement claim under the Lanham Act should fail on its merits because the commercial does not show that Waits sponsored or endorsed the Frito-Lay product. Section 43(a) of the Lanham Act "prohibits the use of false designations of origin, false descriptions and false representations in the advertising and sale of goods and services".²⁷ Waits' false endorsement claim is with merit, since the jury not only listened to a number of Waits' own recordings and then to the SalsaRio commercial, but the jury also heard evidence regarding the likelihood of consumer confusion since the targeted group of the commercial was male radio-listeners ages 18-35, a group which would also be familiar with Waits. Thus, there was sufficient evidence to support the jury's finding that the commercial wrongly led consumers to believe that Waits' endorsed the Frito-Lay product.

CONCLUSION

The Ninth Circuit Appellate Court found that when voice is a sufficient indicator of a celebrity's identity, the right of publicity protects against its imitation for commercial purposes without the celebrity's consent. This right is protected in California under state tort law. Under the federal Lanham Act, celebrity singers have standing to sue for voice misappropriation because of the likelihood that wrongful use of their professional trademark—their voices—would injure them commercially.

Linda M. Cecchin

1. *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988), cert. denied, —U.S.—, 112 S.Ct. 1513, 1514 (1992)).

2. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

3. *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1098 (9th Cir. 1992), (citing *Midler v. Ford Motor Co.*, 849 F.2d at 463).

4. *Id.*

5. *Id.* at 1099 (citing *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. at 152 (the Supreme Court invalidated a Florida statute that gave perpetual patent-like protection to boat hull designs that were expressly excluded from federal patent pro-